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GOVERNOR



**SCOTT A. ANGELLE**  
SECRETARY

**State of Louisiana**  
**DEPARTMENT OF NATURAL RESOURCES**  
**OFFICE OF MINERAL RESOURCES**  
**STATE MINERAL AND ENERGY BOARD**

**TO:** State Mineral Board Members

**FROM:** Rachel Newman, CPA  
Audit Director  
Mineral Income Division

**DATE:** February 9, 2011

**Audit Committee Meeting Agenda**

A meeting of the Audit Committee of the State Mineral and Energy Board will be held on Wednesday, February 9, 2011, following the Nomination and Tract Committee Meeting, in the LaBelle Room, First Floor, LaSalle Building, located at 617 North Third Street, Baton Rouge, Louisiana.

Items on the agenda are as follows:

1. A penalty waiver request from Stone Energy Corp. for a penalty in the amount of \$137,758.22 which was billed for late payment of royalty. Stone Energy Corp. paid the state a total of \$1,838,292.66 in late royalty for the disposition dates of August 2009 through October 2010. The payment was received on December 20, 2010. This payment was not related to a field audit. Stone Energy Corp. was billed and paid \$31,595.92 in interest charges.
2. A recoupment request from Century Exploration New Orleans, Inc. for an overpayment in the amount of \$36,541.87. The state lease number involved is 19201. For the sales month of March 2010, Century Exploration New Orleans, Inc. paid royalty based on estimated volumes and values which resulted in an overpayment of gas royalties.
3. A recoupment request from Devon Energy Corp. for an overpayment in the amount of \$475,882.15. The state lease numbers involved are 13287, 14860, 14861, 15042, 15763, and 16676. For the sales months of October 2003; and January, February, and September 2004, Devon Energy Corp. paid royalties based on incorrect volumes which resulted in an overpayment of oil and gas royalties.
4. Staff report to the committee that the election for February 2011 gas royalty is to be paid on a processed basis at the Discovery Plant at Larose and the Sea Robin Plant at Henry per the terms of the State Texaco Global Settlement Agreement.

The Committee may discuss matters it desires pursuant to R.S. 42:7(A)(1)(b)(ii) as well as Executive Session matters pursuant to R.S. 42:6.1(A)(2) and R.S. 42:6.1(A)(6).